

To: Paul Goblel, Store Managers #'s, 124, 125, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164 165, 166, 167, 168, 169, 170, 171, 172, 173 and 175.

From: John Shanahan

Date: May 4, 1998

Re: Loose Pack Cigarette Fixtures

Merchandising and Store Operations have agreed on a plan to implement loose pack cigarette fixtures in all New Jersey Stores. Loose pack cigarettes account for over 60% of the entire cigarette category. Over the last several years, we have lost significant market share to the convenience store trade.

Fixtures:

Philip Morris will hand deliver the appropriate fixture to your store. The RJ Reynolds fixture will be shipped direct to each store week ending April 25. All fixtures will be merchandised next to the carton fixture.

Resets:

In most instances, RJ Reynolds and Philip Morris will each have 3 feet of space. It will be the representative's responsibility to merchandise and tag the fixture. Existing carton inventory will be utilized to fill the new fixture. It is the store's responsibility to order product to fill both fixtures after the set.

Schedule:

Attachment "A" details the reset schedule. RJ Reynolds and Philip Morris have been instructed to coordinate and ensure that they reset the same stores on the same day.

Increased Business:

Maintaining these fixtures will result in dramatic sales increases. It is also important to note that our retails on loose pack cigarettes are the best in our marketing areas! Please be sure to support all Bonus Buys on loose packs by utilizing the Bonus Buy tags. It is also The Law!!!! Cigarettes represent the 10th largest Grocery/Non Food category in your store!

If you have any issues regarding these resets, please contact John Shanahan at ext 1001. Thank you for your ongoing support!

cc: Steve Davis, Michael Knight, Rich Posa, Carl Schlicker, Bob Bunce, Rick Nichols, Jim Ware, Mike Taverna, Tracy Riley, Tina Barkley, John Maxwell (Philip Morris), Curt Moser (RJR)

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